

# News Release

# Senator Pete V. Domenici

FOR IMMEDIATE RELEASE

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## DOMENICI WITHHOLDS SUPPORT FOR WYOMING COALBED METHANE BILL

WASHINGTON -- Senator Pete Domenici today withheld his support for a bill dealing with development of coal, coalbed methane and natural gas in Wyoming and Montana until he is convinced that its budgetary impact and affect on similar energy production in San Juan County are not negative.

Domenici serves on the Senate Energy and Natural Resources Committee that today approved S.1950, the Powder River Basin Resource Development Act, for consideration by the full Senate. Domenici, who is recovering at home from neck surgery, proffered his proxy to move the bill forward but withheld his support for the legislation.

"I did not object to the committee reporting this bill for consideration by the full Senate. However, everyone should understand that there are issues that will need to be addressed before I will support S. 1950," Domenici said in a statement delivered to the committee today.

Domenici took issue with the cost estimate provided by the proponents of the bill, specifically assumptions made to arrive at a net savings to the federal government.

"Although the Congressional Budget Office has not provided a preliminary score, I do not believe this bill will save the taxpayers money," Domenici said. "In addition, a lot has been said that this bill is not to be construed as a precedent for other areas where similar conflicts exist. I want to make it clear that I cannot support a similar solution in areas such as the San Juan Basin in New Mexico."

"I am very concerned with the policy this legislation promotes as it relates to dispute resolution. Although I sympathize with the Wyoming delegation's desire to resolve these issues, and I know it is very important that something be done, I have to believe that there may be a better way," he said.

S.1950, introduced by Senator Mike Enzi (R-Wyo.), attempts to set forth a procedure to resolve conflicts between coal producers and oil and gas producers in the Powder River Basin when their mineral rights come into conflict because of overlapping federal leasing rules.

The legislation has raised some strong concerns among natural gas producers in New Mexico. In February, Tom Dugan of Farmington, representing Dugan Production Corporation and the Independent Petroleum Association of America, testified before the Energy and Natural Resources Committee in opposition to S.1950.